

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 23, 2012**

The Iowa Racing & Gaming Commission (IRGC) met on Thursday, August 23, 2012 at Riverside Casino & Golf Resort, Riverside, Iowa. Commission members present were Greg Seyfer, Vice Chair; and members Carl Heinrich, Kristine Kramer and Dolores Mertz. Chair Jeff Lamberti was absent.

Vice Chair Seyfer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Mertz so moved. Commissioner Kramer seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Brian Ohorilko, Administrator of IRGC, for an explanation regarding Chair Lamberti's absence. Mr. Ohorilko advised that Chair Lamberti had undergone back surgery at Mayo Clinic as part of an ongoing treatment for staph infection. His doctor did not want him traveling at this time; however, he does expect to be at the September meeting.

Vice Chair Seyfer moved to the Welcome. On behalf of the 750 team members and 800 Iowa investors, Dan Kehl, CEO, welcomed the Commission to Riverside. He noted that the previous day was a great day for golfing, and that everyone had a good night at the casino as well. Mr. Kehl noted that the facility would be celebrating its sixth anniversary the following week. He stated that over that time period, Riverside has paid \$141 million in gaming taxes, regulatory fees and license fees to the State; \$11 million to Washington County, and \$10 million to Riverside. Mr. Kehl stated that gaming works in Iowa and is doing what it is supposed to do. He advised that the non-profit, Washington County Riverboat Foundation (WCRF), has received approximately \$19 million. He introduced Tim Putney, President of WCRF.

Mr. Putney also welcomed the Commission to Riverside. He stated that WCRF is administered by 15 members from various parts of Washington County. He noted that WCRF has received \$19.4 million, which has been distributed throughout Washington County. Mr. Putney stated that approximately 17% of the grants go to organizations outside of Washington County; in the counties of Linn, Muscatine, Louisa, and Henry. He advised that WCRF distributed \$100,000 to 53 different organizations last week. WCRF asks the smaller organizations to submit an application for funds of \$2,000 or less as they believe the funds can reach a greater number of people. Including the distribution last week, Mr. Putney stated that WCRF has distributed over \$20 million in grants.

Vice Chair Seyfer moved to the approval of the minutes. Commissioner Heinrich moved to approve the minutes from the July 12, 2012 Commission meeting as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Mr. Ohorilko for announcements: Mr. Ohorilko provided the following information regarding upcoming Commission meetings:

- September 27, 2012 – Hotel Julien, Dubuque, IA (Submissions due by September 13, 2012)
- November 15, 2012 – Stoney Creek Inn, Johnston, IA (Submissions due by October 31, 2012)
- December – No Meeting
- January 10, 2013 –Prairie Meadows Racetrack & Casino, Altoona, IA (Submissions due by December 26, 2012)

He recognized Sue Hansen and Scott Ditch, the Commission's Gaming Representatives at Riverside.

Vice Chair Seyfer called on Isle of Capri (IOC) for a review of the Fiscal Year 2011 financial audit. Laurie Fisher, Director of Finance at Lady Luck Marquette; Sally Rogers, Director of Finance at IOC Bettendorf (IOCB); Grant Gubbrud, Director of Finance at IOC Waterloo, and Ed Tomlinson, Director of Finance at Rhythm City, were available to answer any questions concerning the audit.

Vice Chair Seyfer advised that staff had prepared a listing of expenditures on capital improvements, noting that Rhythm City's total was 1.43% of total expenses. He stated that figure ties back into what the Commission has been trying to accomplish in Davenport. He requested an explanation for the low capital expenditures. Mr. Tomlinson advised it was a corporate policy decision; that the amount for the current fiscal year is \$2.1 million.

Hearing no further comments or questions concerning the financial audit, Vice Chair Seyfer moved to the update on the sale of the Rhythm City Casino. Michael Fries, Vice President of Legal Affairs, stated that he had been advised that the City of Davenport and Riverboat Development Authority (RDA) are in talks with the buyer, and recently learned that the talks had progressed significantly. He stated that IOC had received comments from the buyer on the purchase agreement. IOC immediately responded, and is now waiting to hear back from the buyer.

Vice Chair Seyfer asked if there was any time frame for a response from the buyer. Mr. Fries answered in the negative. Vice Chair Seyfer stated he was hearing that the next move is in the buyer's court. Mr. Fries answered in the affirmative.

Vice Chair Seyfer called on Penn National Gaming (Penn)/Missouri River Historical Development (MRHD). He noted that the agenda lists "Request for Approval of Operating Agreement". He advised that there are a couple of additional items that need to be addressed as part of that agenda item; the first being Penn's Request for Reconsideration of July 12, 2012 Commission Action.

Carl Sottosanti, Vice President of Legal Affairs for Penn; Steve Snyder, Sr. Vice President of Development; Karen Bailey, Director of Public Affairs; Lance George, General Manager of Argosy Casino Sioux City, and Lorraine May, Regulatory Legal Counsel, were present to address any questions.

Mr. Sottosanti thanked the Commission for continuing to work on the issues. He advised that Penn had several possible alternatives and facts relevant to the discussion today, and believes they are uncontested as well. Mr. Sottosanti set forth the following facts:

- MRHD sent Penn an Operating Agreement extension through March 31, 2015. The extension was signed by one of the MRHD Board members.
- On June 7, 2012, a Penn Officer signed the agreement and promptly returned it to MRHD.
- At the July Commission meeting, Curt Beason, MRHD legal counsel, reiterated MRHD's approval of the March 31, 2015 extension agreement.

Mr. Sottosanti, on behalf of Penn, requested that the Commission approve the extension of the Operating Agreement between Penn and MRHD through March 31, 2015. He stated that it was essentially the same contract that the Commission has approved for 20 years. Mr. Sottosanti stated that the approval of the extension would be in the best interests of the constituents of gaming in Sioux City – the State, City, MRHD, Penn and the 300+ employees and their families. He advised that the approval would insure stability as the parties continue to work toward land-based gaming in Sioux City. Mr. Sottosanti stated the previously cited facts were compelling reasons to approve the agreement extension; however, in the interest of moving the resolution forward, he indicated that he had an alternative to present to the Commission.

Vice Chair Seyfer stated that he would like to address the Motion for Reconsideration before Mr. Sottosanti continued. Mr. Sottosanti requested permission to continue with his comments. Vice Chair Seyfer granted the request.

Mr. Sottosanti stated that the Commission can approve the signed extension agreement, but can do so through March 31, 2013 as the Commission has the authority to impose a duration condition on the extension agreement before them. He cited IAC 5.4(8)d which states in part, "The commission shall approve all qualifying agreements ... and may impose conditions on an approval. ..." The condition would be that the length of the contract would be amended to March 31, 2013. Mr. Sottosanti thanked the Commission for their consideration.

Vice Chair Seyfer called on MRHD. Mr. Beason advised that MRHD was present at the last Commission meeting and heard the Commission's concerns. MRHD made modification to the previously submitted extension agreement approved by the Board last month. Mr. Beason stated that the MRHD Board is comfortable that the Commission's decision at the July meeting was correct and proper.

Vice Chair Seyfer asked Mr. Beason if MRHD felt there was a signed agreed upon extension agreement. Mr. Beason answered in the negative.

Vice Chair Seyfer returned to Penn's Request for Reconsideration of the Commission's action at the July Commission meeting. He called for a motion regarding the Request for Reconsideration. The Request for Reconsideration died due to the lack of a motion.

Vice Chair Seyfer recapped the situation: There is no agreed upon extension agreement, which means there is not an effective Operating Agreement. Without an effective Operating Agreement, the Commission cannot issue a license to conduct gambling games. He stated it is his reading, and he believes it to be the reading of Chair Lamberti and Jeff Peterzalek, Assistant Attorney General, that the situation is now governed by Iowa Code Section 17A.18 dealing with licenses. Iowa Code Section 17A.18 states in part that when a licensee has made an application for the renewal of a license, the existing license does not expire until the application has been finally determined by the agency, and in case the application is denied or the terms of the new license limited, until the last day for seeking judicial review of the agency order or a later date fixed by order of the agency or the reviewing court. Vice Chair Seyfer stated that this means that the license will continue by operation of the law, and will continue until a hearing has been set by the Commission to show cause why the license should not be continued. He stated that the Commission needs to consult with the Chair and legal counsel. Vice Chair Seyfer indicated his plan is for the Commission to provide an outline at the September meeting of how and in what event a show cause hearing would be held to determine if the license should be denied. He summarized his comments by reiterating that the license will continue under operation of law until the Commission takes action.

Mr. Sottosanti stated that Penn understood that the Request for Reconsideration is denied due to the lack of a motion. He asked about the extension agreement. Vice Chair Seyfer advised that it was denied as well.

Hearing no further comments or questions, Vice Chair Seyfer called on Boyd Gaming Corporation (Boyd) for their presentation on the acquisition of Peninsula Gaming, LLC. Keith Smith, President and CEO, introduced Bill Boyd, Executive Chair of the Board and co-founder of the company; and Marianne Boyd Johnson, Executive Vice President, Chair of the Board and Chief Diversity Officer for the company. Mr. Smith stated that in May Boyd Gaming announced their intent to acquire Peninsula and seek the necessary regulatory approvals to provide additional growth for their company. He noted that Peninsula is a good company with a strong leadership team. Additionally, Peninsula operates in markets where Boyd currently does not have any operations.

Mr. Smith advised that Boyd is a 37-year old company founded in 1975 by Sam Boyd and his son, Bill. They opened their first casino in downtown Las Vegas that year. They are now one of the largest and most experienced operators in the industry with 17 properties in six states with 23,000 team members. Mr. Smith stated Boyd has six properties in the Las Vegas area; three in Louisiana, two in Mississippi, and one each in

Illinois, Indiana and Atlantic City, New Jersey. He advised that twelve of these properties were acquired through acquisition; giving Boyd the opportunity to learn how to integrate the acquired properties into their company. When the acquisition of Peninsula is complete, Boyd will operate 22 casinos in eight states, entering the states of Iowa and Kansas for the first time. The newly acquired properties do not overlap operations in any of the current jurisdictions.

Mr. Smith stated the senior management team has been involved with the company through all of the acquisitions. He noted the management team has over 200 years of experience; and has the knowledge and ability to make this acquisition successful. Mr. Smith proceeded to name the various members of the senior management team, their position, length of service with Boyd, and length of time within the gaming industry. He noted that the longevity of the group is unique in the gaming industry, but not at Boyd. He advised that approximately half of the 23,000 team members have been employed more than ten years, which is rare in corporate America and specifically the gaming industry. Mr. Smith noted that Peninsula also has a strong leadership team.

Mr. Smith addressed Boyd's charitable contributions, noting they have long-term commitments to the communities in which they operate. He advised that Mr. Sam Boyd was instrumental in bringing the United Way and Boys and Girls Club to the Las Vegas area in the 1960's. He also made a donation to expand the Boyd Law School at UNLV. Mr. Smith stated that executives at the local properties are encouraged to serve on boards for local organizations.

Mr. Smith moved to the financing of the transaction. He advised that Peninsula Gaming, LLC will remain as 100% owner of the six subsidiary companies. Mr. Smith stated that two temporary subsidiary companies have been established for purposes of this acquisition: Boyd Acquisition Sub, LLC and Boyd Acquisition Finance Corp; these will be dissolved upon closing. The financing for acquisition is made up of \$350 million in senior notes that will be issued prior to closing with the net proceeds remaining on deposit until the closing. Additionally, there is a credit agreement consisting of an \$825 million term loan and \$50 million revolving loan with Bank of America, N.A. as the agent. The loan documents will be signed on or prior to closing, but will be unfunded until the closing occurs. Boyd Gaming contributed \$205 million of equity on May 30, 2012. The funds will remain on deposit until the closing. All of the financing is in place; Boyd is just waiting for the regulatory approvals.

Mr. Smith advised that the current general managers at the Peninsula properties in Iowa, Kansas and Louisiana will remain; as well as the Dubuque corporate office.

Mr. Boyd stated that Boyd is very excited about the acquisition of Peninsula, and has heard great things about the Iowa Gaming Commission. He advised that he has had the opportunity to visit both the Diamond Jo and Diamond Jo Worth properties, and has visited with team members and executives at both properties. Mr. Boyd stated they have done a great job in building business and is looking forward to welcoming them to the

Boyd team. He stated he visits all of the properties around the country on a regular basis, taking the opportunity to meet with team members and visit with customers as well.

Mr. Smith stated that was the end of their presentation, and indicated he would answer any questions. As there were no questions, Vice Chair Seyfer thanked the Boyd executives for attending today's meeting. He asked Mr. Ohorilko to outline the process going forward.

Mr. Ohorilko stated the Commission would hear from the Division of Criminal Investigation in Executive Session at the September meeting, and approval of the transaction will be placed on the agenda for consideration.

Vice Chair Seyfer moved to the contract approval portion of the agenda, and called on IOCB. Nancy Ballenger, General Manager, presented a contract with Data Business Equipment for a one-time purchase of two C4 count room machines, header card system, and tables.

Hearing no comments or questions concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Mertz moved to approve the contract as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Wild Rose Clinton (WRC). Tim Bollmann, General Manager, presented a contract with Bally Gaming, Inc. for slot machine conversions, parts and leases.

Hearing no comments or questions concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contract as submitted by WRC. Commissioner Mertz seconded the motion, which carried unanimously.

Vice Chair Seyfer called on IOC Waterloo (IOCW). Bari Richter, General Manager, presented a contract with Incredible Technologies, Inc. for slot machines.

Hearing no comments or questions concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Kramer moved to approve the contract as submitted by IOCW. Commissioner Mertz seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Grand Falls Casino Resort (GFCR). Sharon Haselhoff, General Manager, presented the following contracts for Commission approval:

- New Century Press – Printing of Newspaper Inserts
- Outsound Productions – Concert Stage Equipment and Production
- Riverside Casino & Golf Resort, LLC – Support Services: Internal Audit, Regulatory Compliance, and Information Technology Services (RP)
- Shuffle Master – Table Games Equipment Leases
- Select Specialty Hospital – Health Plan

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Mertz moved to approve the contracts as submitted by GFCR. Commissioner Kramer seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Riverside Casino and Golf Resort (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- Grand Falls Casino Resort – Additional Funds for Support Services
- Mercy Iowa City – Health Plan Costs 2012 Medical
- Iowa Section PGA of America – Option to Renew Building Lease
- Toro NSN – Service Agreement and Extended Warranty
- U.S. Foods – Name Change from Hawkeye Foodservice
- Vital Support Systems – Smartnet Support Renewal
- William Morris Endeavor CA - Entertainment Broker

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RCGR. Commissioner Kramer seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Ameristar Casino. Monty Terhune, General Manager, presented the following contracts for Commission approval:

- ATCI, Inc. d/b/a Applied Information Systems (AIS) – IT Network Design to migrate casino floor to ethernet
- Global Infrastructure – Vessel Slip Maintenance
- HGM Associates – Flood Repair Work

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Mertz moved to approve the contracts as submitted by Ameristar. Commissioner Heinrich seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Lady Luck Marquette (LLM). Bill Gustafson, General Manager, presented the following contracts for Commission approval:

- NRT Technologies – Purchase of NRT Kiosks and Associated Software, Parts & Services
- CDW Direct – Purchase of Network and Computer Equipment

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Mertz moved to approve the contracts as submitted by LLM. Commissioner Kramer seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Prairie Meadows Racetrack & Casino (PMR&C) for a report on the thoroughbred meet and an update on the quarter horse meet. Derron Heldt, Director of Racing, advised they had a solid thoroughbred meet, but did experience a couple of challenges. On track handle was up slightly while off-track handle was down as a result of the shift in racing days from Monday, Tuesday, Friday and Saturday to Thursday, Friday, Saturday and Sunday. He noted the field size was down slightly this year at 7.4 compared to 7.7 last year, with several five-horse fields. He advised the races did not necessarily start out that way but ended up that way due to horses being scratched. There was at least one race per day with only five horses. Mr. Heldt advised this situation is not unique to PMR&C and Iowa, and has been happening around the country. This is partially due to a decrease in foals. There were a lot of foals in 2005; but the number declined to 25,000 this year; however the number of racetracks has not changed. Mr. Heldt stated that the Iowa thoroughbred owners and breeders had 96 more horses this year than last year. He stated that the Festival of Racing was great; it consists of six races that are of national prominence with horses brought in from around the country. Mr. Heldt advised that the winners of several races during the Festival went on to win major races at tracks in New York and Delaware.

Mr. Heldt stated that PMR&C is pleased with the number of catastrophic injuries this year; six horses had to be put down. The national average for injuries is 1.88 per 1,000 starts. PMR&C had 4,408 starts, giving them an average of 1.34% per 1,000 starts. He noted that PMR&C had made a significant number of capital improvements during the off season. The test barn was totally renovated; the first time in 15 years. It is state-of-the-art and includes rubber pavers, heating/cooling, and offices for the vets and stewards. Mr. Heldt stated that it is one of the better test barns in the country.

With regard to the quarter horse meet, Mr. Heldt advised that racing commenced last Saturday, August 18th, with races held on Friday, Saturday and Sunday. On opening day of the meet, PMR&C had good weather, a good crowd and decent handle. He stated there are 535 horses on the backside, and they are expecting another 35-40 horses from a track in Colorado. He said field size is good. Mr. Heldt advised that PMR&C will be holding the Quarter Horse Challenge Races on October 27 for the first time; these races are the equivalent of the Breeders' Cup races for the thoroughbreds.

Vice Chair Seyfer asked if PMR&C management meets with the owners and breeders after the conclusion of the meet to review what occurred during the meet. Mr. Heldt advised that meeting will be coming up as they prepare to submit the race dates and license renewal application. PMR&C will meet with the Iowa Thoroughbred Breeders and Protective Association and Iowa Quarter Horse Racing Association to review what occurred during the meets to determine what worked and didn't work.

Vice Chair Seyfer moved to the contract approvals for PMR&C. Brian Wessels, Director of Finance, presented the following contracts for Commission approval:

- AJ Allen Mechanical Contractors – HVAC Contractor

- Baker Group – HVAC Contractor
- Bankers Trust Company – Banking Services and Credit Cards
- Brewer Meats, Inc. – Meat Supplier
- Brooks, Borg & Skiles Architecture – Architectural Design Services
- Cintas Corporation – Employee Clothing, Uniforms and Related Items
- Daktronics, Inc. – Electronic Marquee and Service
- Excel Mechanical – HVAC Contractor
- Great Midwest Seafood Co. – Food Products
- Martin Bros. Distributing Co., Inc. – Food, Equipment and Supplies
- Reinhart Food Service – Food, Equipment and Supplies
- Waldinger Corporation – Mechanical and Electrical Contractor

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Vice Chair Seyfer moved to the Hearings before the Commission and called on Mr. Ohorilko. Mr. Ohorilko advised that the Commission staff and HG-Lakeside d/b/a Lakeside Casino had entered into a Stipulated Agreement. On June 23, 2012, at approximately 7:22 PM an underage female entered the gaming floor through the main entrance unchallenged. She was on the floor for just over four and one-half hours and played approximately 50 different slot machines. While on the floor she walked past numerous facility employees, and had direct contact with two different employees. At 11:50 PM a security officer recognized her and reported her to his supervisor, who then escorted her off the floor. Mr. Ohorilko advised that Lakeside acknowledges the forgoing is a violation of Iowa Code §99F.9(5), and has agreed to an administrative penalty of \$20,000. He recommended approval of the Stipulated Agreement.

Mr. Thursby was present to answer questions the Commission might have. Hearing none, Vice Chair Seyfer requested a motion. Commissioner Mertz moved to approve the Stipulated Agreement as submitted. Commissioner Kramer seconded the motion, which carried unanimously. (Copy Attached)

Mr. Ohorilko moved to the next hearing, a Stipulated Agreement with Lakeside Casino for a violation of Iowa Code §99F.4(22). In December 2004, the individual completed the Iowa Statewide Self-Exclusion form at PMR&C. On September 17, 2011, the individual was issued a Lakeside Casino Player's Club Card. This individual received at least 13 promotional mailings from November 1, 2011 through June 1, 2012, which included coupons for free slot play, as well as for the buffet, hotel and gift shop. The individual played slot machines at least 11 times from September 27, 2011 through June 21, 2012. On June 21, 2012, the individual attempted to complete a credit card cash advance. The facility employee checked the statewide self-exclusion database prior to completing the transaction and discovered the individual's status. She was escorted off the property. Mr. Ohorilko stated that Lakeside acknowledges the above facts constitute

a violation of Iowa Code §99F.4(22), and has agreed to pay an administrative penalty between \$3,000 and \$20,000. Mr. Ohorilko advised that this is the second violation of this nature within 365 days, and recommended approval of the Stipulated Agreement.

Vice Chair Seyfer noted that there was a range, and the Commission is required to establish the administrative penalty. The first violation is usually fined at \$3,000. Vice Chair Seyfer requested a motion that included the amount of the administrative penalty.

Commissioner Mertz moved to approve the Stipulated Agreement with a penalty of \$5,000. Commissioner Heinrich seconded the motion, which carried unanimously. (Copy Attached)

Mr. Ohorilko moved to the last Hearing before the Commission, a Stipulated Agreement with Horseshoe Casino. Mr. Ohorilko advised that on February 10, 2006, an individual completed the Iowa Statewide and Lifetime Self-Exclusion form at PMR&C. On February 13, 2006, the individual was added to the Horseshoe Casino player database and flagged as “gaming prohibited”. On June 26, 2010, the individual entered Horseshoe Casino and was given a Player’s Club account using a different name but the same social security number entered on the self-exclusion form. On March 16, 2012, the individual completed a check cashing application and cashed a check. Approximately one week later the collection department discovered the social security match, and combined the accounts. Mr. Ohorilko advised that Horseshoe Casino acknowledges the violation, and has agreed to pay an administrative penalty between \$3,000 and \$20,000. He indicated this is also the second violation of this nature within 365 days. Mr. Ohorilko requested the Commission’s approval of the Stipulated Agreement.

Janae Sternberg, Director of Finance, advised that the situation occurred due to an employee skipping the step of checking the social security number. She informed the Commission that the employee has been disciplined, and Horseshoe Casino does not expect the violation to re-occur.

Vice Chair noted that the Commission again needed to set the amount of the administrative penalty, and recommended \$5,000. He requested a motion. Commissioner Heinrich moved to approve the Stipulated Agreement with Horseshoe Casino and established the administrative penalty at \$5,000. Commissioner Mertz seconded the motion, which carried unanimously. (Copy Attached)

Vice Chair Seyfer moved to Public Comment. Mr. Putney thanked the Commission for being here, making note of the important issues before them and the difficult decisions they face. He advised the Commission that WCRF is proud of its relationship with Dan Kehl and the staff at Riverside. He thanked them for everything they have done for the community and for being upfront in their business dealings.

Vice Chair Seyfer moved to Administrative Business. Mr. Ohorilko stated that Commission staff had expressed some concerns regarding the resolution pertaining to the

processes followed by the facilities with regard to the voluntary self-exclusion program due to new technology and/or strategies. One area of concern is the advances made in the way in which facilities are able to attract new players via e-mail. Additionally, the legislature passed Advanced Deposit Wagering in 2011, which allows individuals to bet on horse races via the internet. Mr. Ohorilko advised these were not available or widely used when the Commission passed the resolution a couple of years ago. He asked if the Commission had any interest or desire to have the staff review the resolution and make recommendations to the Commission to update the resolution.

Vice Chair Seyfer stated that he felt that was a good idea due to changes in technology. He concurred that staff should review the resolution and bring the changes back to the Commission. Commissioner Mertz concurred.

As there was no further business to come before the Commission, Vice Chair Seyfer requested a motion to adjourn. Commissioner Heinrich so moved. Commissioner Mertz seconded the motion. The meeting was adjourned at 9:30 AM.

MINUTES TAKEN BY:

JULIE D. HERRICK

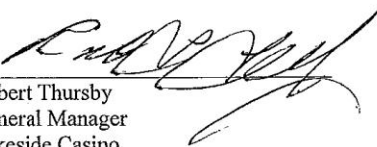
STIPULATED AGREEMENT


The Administrator of the Iowa Racing and Gaming Commission and HG - Lakeside hereby enter into the following Stipulation:

1. The Iowa Racing and Gaming Commission (the Commission) has full jurisdiction over the regulation of racing and gaming at licensed facilities in the state of Iowa.
2. HG - Lakeside operates Lakeside Casino a duly licensed moored barge in Osceola, Iowa.
3. A person under the age of twenty-one years shall not make or attempt to make a wager on an excursion gambling boat and shall not be allowed on the gaming floor of an excursion gambling boat. [Iowa Code § 99F.9 (5)].
4. On June 23, 2012, at approximately 7:22 pm, Maria Felipe Francisco, an underage female, entered the gaming floor of Lakeside Casino through the main entrance. The security officer posted failed to request identification from Ms. Francisco, which allowed her to enter the gaming floor unchallenged.
5. During the next 4 hours and 40 minutes, surveillance coverage showed Ms. Francisco played approximately 50 different slot machines. .
6. While Ms. Francisco was on the gaming floor, she walked by numerous facility employees from nearly every department. Ms. Francisco also went to the bar twice and came in direct contact with two different facility employees when she got some popcorn and then later ordered food.

7. At approximately 11:50 pm, a security officer who walked by Ms. Francisco recognized her as someone who was in his high school graduation class. He believed she must be underage because his age is 19. The security officer reported this to his supervisor and Ms. Francisco was escorted from the gaming floor. DCI was contacted and determined her age to be 19.
8. HG - Lakeside acknowledges that the above-mentioned facts constitute a violation of Iowa Code 99F.9(5).
9. As a result of this violation, HG - Lakeside agrees to pay an administrative penalty of \$20,000 to the Commission. The administrative penalty shall be paid to the Commission within twenty days from the date of this Stipulation.
10. This Stipulation is only binding upon approval of the Iowa Racing and Gaming Commission.

Dated this 23rd day of August, 2012.


Robert Thursby
General Manager
Lakeside Casino


Brian Ohorilko
Administrator
Iowa Racing & Gaming Commission

Approved on this 23rd day of August, 2012.


Grey Seyfer, Acting Chair
Iowa Racing & Gaming Commission

STIPULATED AGREEMENT

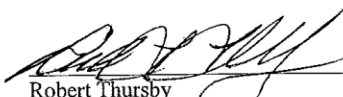
The Administrator of the Iowa Racing and Gaming Commission and HG - Lakeside hereby enter into the following Stipulation:

1. The Iowa Racing and Gaming Commission (the Commission) has full jurisdiction over the regulation of racing and gaming at licensed facilities in the state of Iowa.
2. HG - Lakeside operates Lakeside Casino a duly licensed moored barge in Osceola, Iowa.
3. Licensees are required to establish a process to allow a person to be voluntarily excluded for life from an excursion gambling boat and all other licensed facilities.

The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees. In addition, any money or thing of value that has been obtained by a voluntarily excluded person as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be deposited into the gambling treatment fund. {Iowa Code § 99F.4 (22)}
4. On December 14, 2004, R.H. completed an Iowa Statewide and Lifetime Self-Exclusion Form at Prairie Meadows.
5. On or about September 17, 2011, R.H. was issued a Lakeside Casino player's club card.

6. Lakeside's player tracking system shows R.H. played slot machines at Lakeside at least 11 times from September 27, 2011 through June 21, 2012.
7. Lakeside's marketing department mailed R.H. at least 13 promotional mailings from November 1, 2011 through June 1, 2012. The mailings including coupons for free slot play and coupons for the buffet, hotel and gift shop.
8. On June 21, 2012, R.H. was attempting to complete a credit card cash advance at Lakeside's guest service center. The employee on duty checked the statewide self-exclusion database prior to completing the transaction and discovered R.H.'s status. Security was contacted and R.H. was reminded of her self-excluded status and escorted off property.
9. HG - Lakeside acknowledges that the above-mentioned facts constitute a violation of Iowa Code 99F.4(22).
10. As a result of this violation, HG - Lakeside agrees to pay an administrative penalty of \$5,000.00 (\$3,000-\$20,000) to the Commission. The administrative penalty shall be paid to the Commission within twenty days from the date of this Stipulation.
11. This Stipulation is only binding upon approval of the Iowa Racing and Gaming Commission.

Dated this 23rd day of August, 2012.


Robert Thursby
General Manager
Lakeside Casino


Brian Ohorilko
Administrator
Iowa Racing & Gaming Commission

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Approved on this 23rd day of August, 2012.



Greg Seyfer, Acting Chair
Iowa Racing & Gaming Commission

STIPULATED AGREEMENT

The Administrator of the Iowa Racing and Gaming Commission and Iowa West Racing Association hereby enter into the following Stipulation:

1. The Iowa Racing and Gaming Commission (the Commission) has full jurisdiction over the regulation of racing and gaming operations at licensed pari-mutuel facilities in the state of Iowa.
2. Iowa West Racing Association operates Horseshoe Casino, a duly licensed racetrack enclosure in Council Bluffs, Iowa.
3. Licensees are required to establish a process to allow a person to be voluntarily excluded for life from an excursion gambling boat and all other licensed facilities.

The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees. In addition, any money or thing of value that has been obtained by a voluntarily excluded person as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be deposited into the gambling treatment fund. {Iowa Code § 99F.4 (22)}
4. On February 10, 2006, L.O. completed an Iowa Statewide and Lifetime Self-Exclusion Form at Prairie Meadows Racetrack and Casino in Altoona, Iowa.
5. On or about February 13, 2006, L.O.'s self-exclusion was added to Horseshoe Casino's player database and was flagged "gaming prohibited".


IRGC Commission Minutes

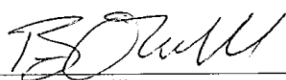
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6. On or about June 26, 2010, L.O. entered Horseshoe Casino and was given a player's club account using the name L.M. The new player's club account used the same social security number as the L.O. account and the same social security number on L.O.'s statewide self-exclusion form.
7. On or about March 16, 2012, L.O. entered Horseshoe Casino, completed a check cashing application and cashed a check for \$100.
8. On March 21, 2012, Horseshoe's collection department discovered the social security match between the L.O. and L.M. accounts and took action to combine the accounts and code them "gaming prohibited".
9. Horseshoe Casino acknowledges that the above-mentioned facts constitute a violation of Iowa Code 99F.4 subparagraph 22.
10. As a result of this violation, Horseshoe Casino agrees to pay an administrative penalty in the amount of \$ 5,000.00 (\$3,000 - \$20,000) to the Commission. The administrative penalty shall be paid to the Commission within twenty days from the date of this Stipulation.
11. This Stipulation is only binding upon approval of the Iowa Racing and Gaming Commission.

Dated this 23rd day of August, 2012.


Bo Guldry
General Manager
Horseshoe Casino

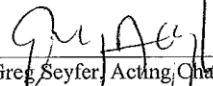

Brian Ohorilko
Administrator
Iowa Racing & Gaming Commission

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Approved on this 23rd day of August, 2012.



Greg Seyfer, Acting Chair
Iowa Racing & Gaming Commission